5/9/2006

Content Acquisition Strategy Update

EXHIBIT

tables

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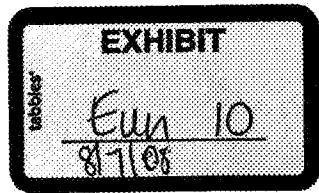
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How has the market evolved since CES?

FOX shows to be sold on iTunes

MSN unveils new plans to create original programming

CBS launches ad supported web channel (Innertube) with original programming

Warner Brothers to distribute movies using BitTorrent

FOX closes deal to share revenue from online distribution with its affiliates

40M

35M

CBS streams March Madness college basketball games for free to 5mm people and generates $4M

NBC and affiliates form joint venture for new media distribution

ABC announces ad supported streaming trial of top shows

AOL launches In2Tv

GV announces initiative to digitize NARA content

MySpace surpasses Amazon.com to become the 10th largest site (monthly unique visitors, comScore)

GV launches at CES

8M

YouTube generates 5 Million playbacks with SNL's "Lazy Sunday" which is pulled seven weeks later

Founded in February, 2005, YouTube launches website

3M

MTV Networks acquires iFilm for $49M and develops VH1 show of video clips

iTunes video launches with ABC content

"Everybody Hates Chris" premiers on GV

Sept   Oct   Nov   Dec   Jan   Feb   Mar   Apr   May

= YouTube daily playbacks

The inventory of acquired content includes all three content types

Acquired

Video Hours Live in Index (total 49K)
- User Uploaded 75%
- Premium 15%
- Standard
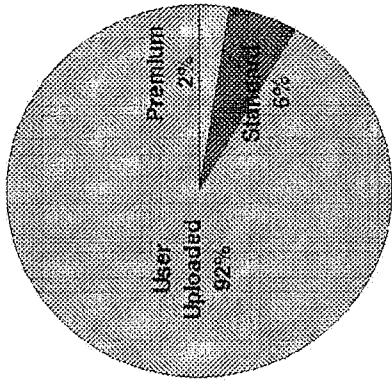
Video Titles Live in Index (total 0.7MM)
- User Uploaded 92%
- Premium 2%
- Standard 6%
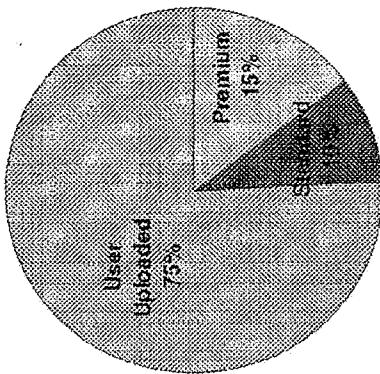
Sources: Content stats from VSPDB, Traffic stats from VCSDB – 05/08/06

Premium Content Owners – Lessons Learned

- They still believe their content is king

- They live by promotion, Google does not

- They don't like their content mixed with user-submitted content (better promotion is possible compromise)

- They feel sudden pressure to develop viable online models

- They realize that their #1 current threat is piracy, not cannibalization of current revenue streams through legitimate online use

- They want to "get in the game" and aren't solely focused on short-term revenue

- They want true distribution partner, not just technology platform

- They want to create new "online content" and want funding partners

- They acknowledge You Tube can provide some level of promotion, but (mainly) perceive You Tube as trafficking mostly illegal content – "it's a video Grokster"

Content Acquisition Challenges

Common complaints and deal hurdles from current and prospective partners:

- Disappointing DTO sales and support, and lack of product improvements
  - Significant delays in bringing time-sensitive content online (e.g., CBS and NBA)
  - Can't find partner content
    - Poor search quality, Poor basic browse functionality
    - Lack of content promotion
  - Delays in both one box and RSS integrations

- Apparent lack of understanding of premium partner needs/desires
  - Inflexible # of downloads (fixed at 10; partners want industry std 3-5)
  - Limited value of connected DRM, and no device support
  - Partners live by promotion; Google doesn't seem to get this whereas our competitors do
  - Lack of ad or other monetization models
  - Occasional mistakes in filtering copyright infractions
  - Inability to receive better store analytics and related information
  - Low priority of digitizing from film (vs. tape); also, "restricted site search" not on roadmap

- Perception that Google lacks strategic priorities or has priorities that conflict with partners'
  - Perception of focus on user-generated content
  - Lack of web crawl for video, esp. RSS
  - Appearance of GV as walled garden vs. "switchboard"

- Partners' own confusion and inability to migrate old models to the web

GV can differentiate and win by having most comprehensive content for users worldwide

Supply

Premium
- Every TV /Major Cable network (CBS, ABC, Fox)
- Movie studios
- Music labels
- iTunes
- Yahoo
- AOL
- MSN

"Torso"
- Smaller cable networks
- Educational/DIY
- Special Interest verticals
- Niche content
- University Lectures
- Archives (e.g., NARA)

User-Generated
- YouTube
- MySpace
- Grouper
- Veoh
- 100+ small sites

Demand

- Maintain relationships w/ premium owners and reset expectations
- Focus on promotions and event programming
- Do RSS feeds (when ready)

- Accelerate growth of torso content
- Acquire more international content
- Continue digitization efforts

- Develop community tools and explore deals to contribute premium content to user-generated activities

Monetization Potential of Different Content Types

ILLUSTRATIVE

Premium

Premium Ads –
TV CPM model

Torso

?

Highly-targeted
ads mixed models

Ads from the tail –
AdWords model

User-Generated

High

Low

Google Differentiation

High

Low

Ease of Monetization

Size denotes traffic potential

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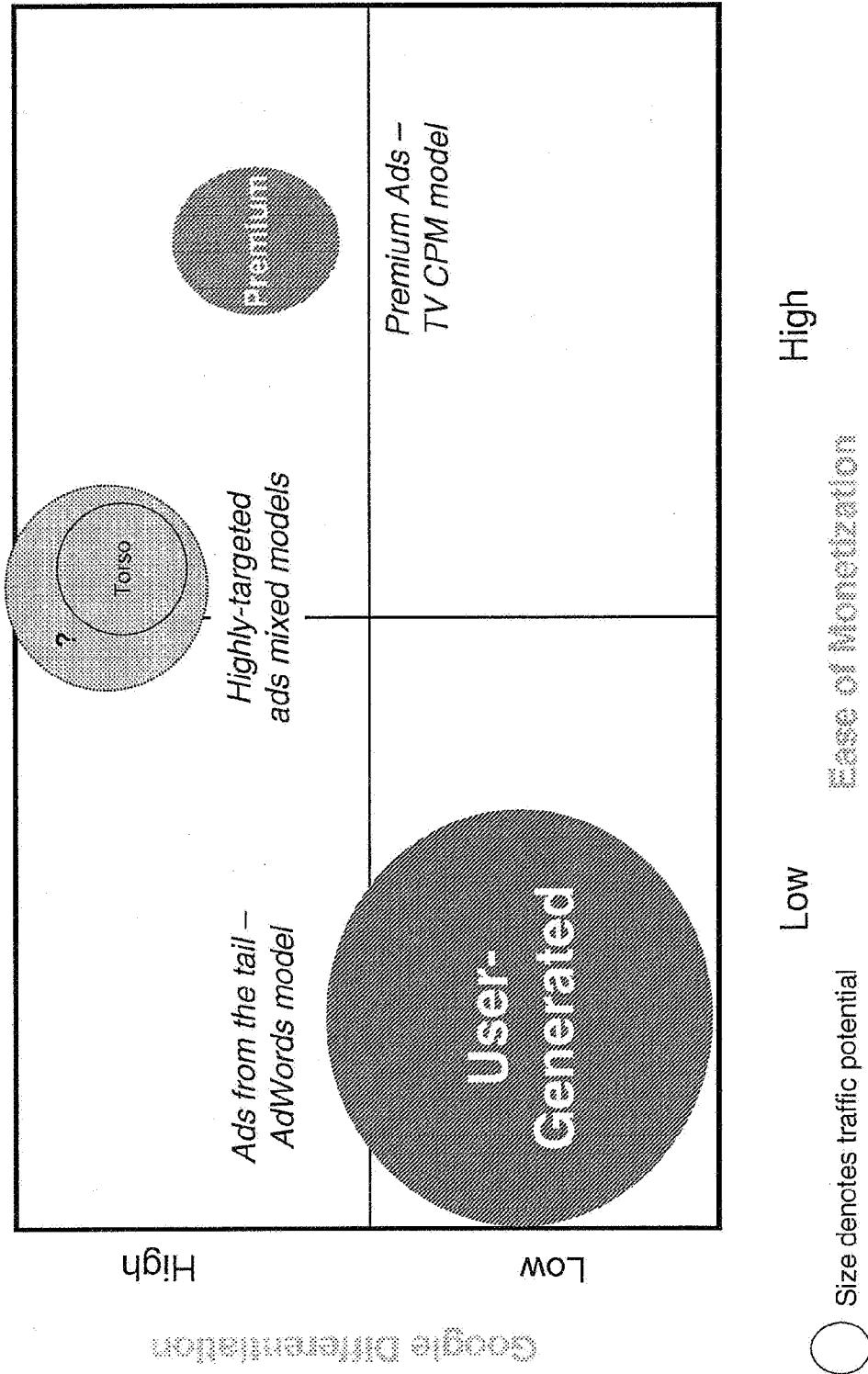
Final Recommendations/Asks

Asks of EMG:

- Acknowledgement that premium content is being **_significantly deprioritized_** relative to initial CES focus (therefore, many prem. DTO deals won't close in 06)

- Agreement that ultimate goal should be providing most comprehensive content offering possible (head, torso and long tail), and help set timetable for head

- Need support to:
  - build scalable ads model asap
  - reprioritize RSS to be sooner than end of Q3
  - build flexible DRM by end of Q4
  - improve promotion of partner content asap
  - Increase investment in tools and systems for copyright policy enforcement

Appendix

How do we win?

GV can use scale and expertise to have most comprehensive content offerings — from head to tail

- Content types: premium, user generated, torso - which is key differentiator (show curve and add comments)
- Content genres/verticals: entertainment, sports, lifestyle/how to/DIY, archives, news, education, niche, etc.

GV can be best user experience

- Improve search not just hosted content but for all web video content
- Provide linkages such as RSS feeds and one-box integration in meantime
- Drive open standards and distribution deals so users can consume content across multiple devices, especially linking PC to TVs

GV can be best partner to content owners

- Respect copyrights of premium content owners (we should beat YouTube by improving features and user experience, not being a "rogue enabler" of content theft)
- Provide best in class marketing/promotion of content, particularly "event" programming: Online Film Festivals; supporting "Tentpole" movie and tv shows launches; Superbowl ads; Oscar trailers/content; (Jennifer, Eva/Jon, Dave)
- Provide a platform for promotion and distribution for torso content owners who have professional content but limited access to audiences
- Provide community tools for voting, rating, tagging, commenting, recommending, mashing, etc. and give access to all types of content, including select premium/torso content

GV can provide multiple monetization options (Advertising; Sponsorships; DTO) and leverage expertise in Advertising in particular

- The way to win ultimately is in providing multiple monetization options, particularly advertising which can be applied across all content types

Partner Content Inventory


Denotes number of titles

Heavily-viewed premium hits (highest advertising potential)

Most common torso content (large inventory / distributed consumption)

High potential content (small inventory / concentrated consumption)

Less popular torso content (lowest monetization potential)

Mature & Adult

Dance

Movie Trailer

Drama

TV Show

Comedy

Political

Gay & Lesbian

Music & Musical

Sports

Educational

News

Anime & Animation

Action & Adventure

Gaming

Playbacks per Title

Playbacks

10,000   100,000   1,000,000   10,000,000   100,000,000

10,000   500   1,000   1,500   2,000   2,500   3,000   3,500   4,000   4,500   0

Low maintenance costs (iTunes advantage?)

High maintenance costs (Google Advantage?)

Undiscovered/hard-to-monetize (Google Advantage?)

Popular content (Brightcove Advantage?)

Overall consumption of partner content is played in proportion to its availability in the index

Acquired

Video Titles Live in Index (total 0.7MM)

Premium 2%
Standard 6%
User Uploaded 92%

Video Hours Live in Index (total 49K)
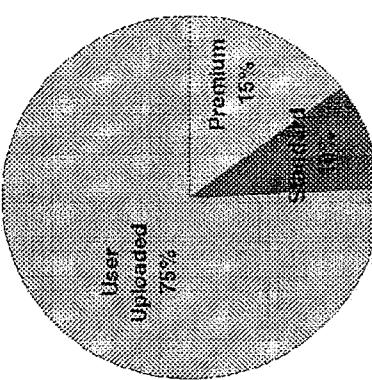
Premium 15%
Standard
User Uploaded 75%

Consumed
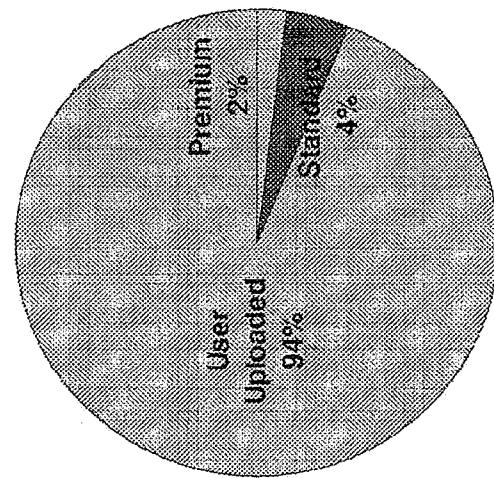
Video Titles Played (2006) (total ~1Bn)

Premium 2%
Standard 4%
User Uploaded 94%

Sources: Content stats from VSPDB, Traffic stats from VCSDB – 05/08/06

Of the wide range of partner content we have acquired, premium music and standard ads are most often played

Video Titles
Live in Index
(total 0.7MM)

Premium Content
Live Inventory (Titles)
(total 17K)
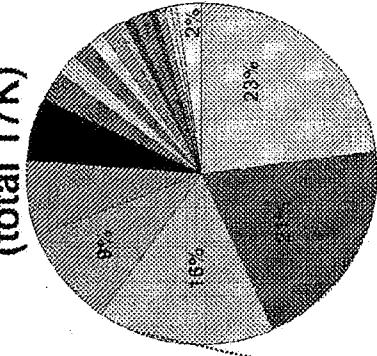
Premium Content
Playbacks
(all-time total 19MM)
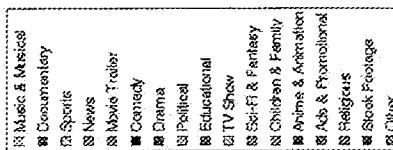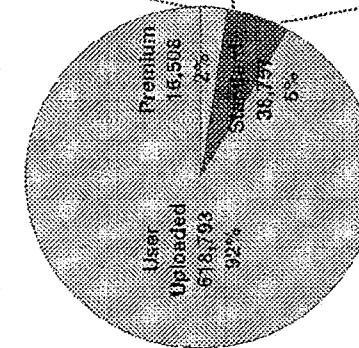
Standard Content
Live Inventory (Titles)
(total 40K)
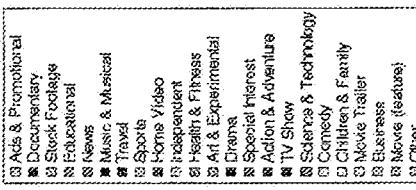
### Standard Content
Playbacks
(all-time total 43MM)
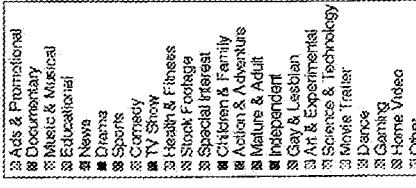
Sources: Content stats from VSFDB, Traffic stats from VCSDB – 05/08/06

News, sports, educational and documentary videos make up the majority of partner content by duration

Premium Content
Live Inventory (Hours)
(total 7K)

Legend:
- Sports
- News
- Educational
- Documentary
- Drama
- Music & Musical
- Religious
- Comedy
- Health & Fitness
- Children & Family
- TV Show
- Science & Technology
- Horror
- Sci-Fi & Fantasy
- Ads & Promotional
- Stock Footage
- Political
- Nature

24%, 13%, 9%, 6%, 5%, 2%

Standard Content
Live Inventory (Hours)
(total 5K)

Legend:
- News
- Documentary
- Educational
- Sports
- Ads & Promotional
- Movie (feature)
- Action & Adventure
- Music & Musical
- Foreign
- Stock Footage
- Horror
- Religious
- TV Show
- Comedy
- Independent
- Drama
- Special Interest
- Political
- Romance
- Faith & Spirituality
- Travel
- Children & Family
- Health & Fitness
- Home Video
- Business
- Art & Experimental
- Western

25%, 11%, 5%, 6%, 5%, 3%, 3%

Video Titles
Live Inventory (Hours)
(total 49K)

User Uploaded 37,169 75%
Premium 7,243 15%
Standard

Sources: Content stats from VSPDB, Traffic stats from VCSDB – 05/08/06

Usage data indicates that it is not the sheer number of video titles that drives playback, but the quality of videos

CDF of playbacks

Legend:
- Mar Day
- Mar Week
- Mar Month
- Dec Month

X-axis: Percent of videos (0, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100)
Y-axis: Percent of playbacks (0, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100)
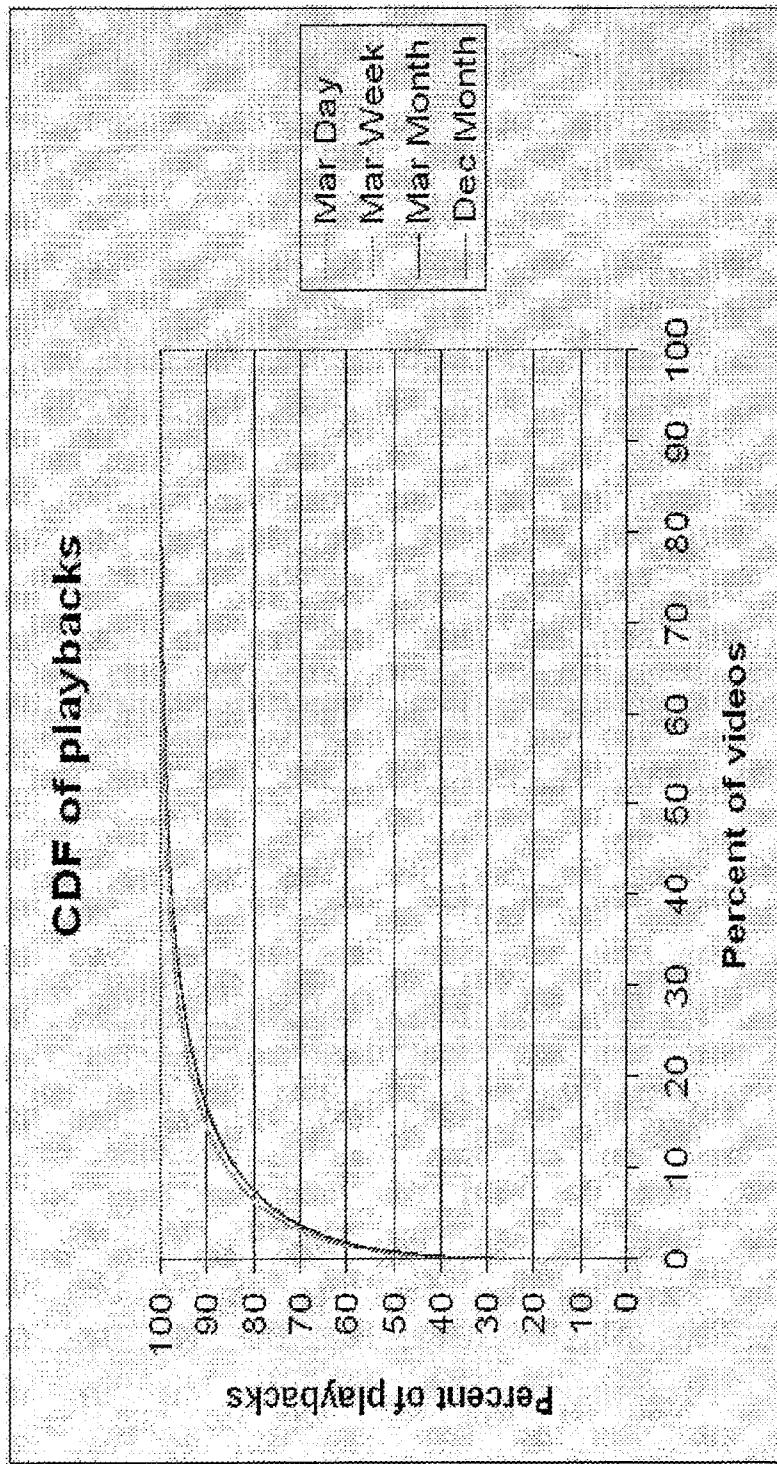
Files	Playbacks	Files	Playbacks
Top 10 videos	8.5%	Top 10% of videos	83%
Top 20 videos	10.8%	Top 20% of videos	92%

How is GV doing?

- YouTube is getting more traffic and engagement than Google Video today. In March 2006*:

	You Tube	Google Video
Visitors*	12.8 million	7.9 million
Page Views*	486 million	81 million
Duration*	20m53s	8m40s
Uploads**	1 million	120,000

- Qualitative research in 4 countries reveals the reasons behind this:

  – YouTube is designed around the viral video experience. It is clear what the site is about, it promotes uploading, and it makes it easy to browse video categories

  – YouTube promotes its viral and community features above all else

  – YouTube's content is all free, and much of it is highly sought after pirated clips

* Source: Neilsen/Netratings May 6, 2006; YouTube's PV numbers could be inflated by RSS readers hitting the site

**Source: Company reports

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How has International usage differed? What are the learnings?

International: We have to avoid being US-centric since more usage comes from outside the US, where there are big differences in taste and consumption across different countries

- 63% of our playbacks and 40% of our uploads come from outside the US
- Large fraction of videos have large majority of playbacks from a single country (Potential takeaway: different videos resonate in different countries)
- Playback and support for premium vs. user-generated content varies significantly across different countries (Germany vs. Spain)
- Most of the non-US top videos have titles/descriptions not legible in English
- Top videos in non-US countries typically don't get big US viewership

GV internationally

- Europe lags the US in internet video usage, but is quickly catching up. No site has yet built a pan-European presence

  – *Google Video receives 30% of playbacks from top 7 EU countries*

  – *Qualitative research reveals interest in premium content varies by country. People in countries with lower internet video usage (Germany, France) tend to seek premium over user-generated content*

- Google Video became an "international product," even before localized versions were launched

  – *63% of playbacks and 40% of uploads come from outside the US today*

  – *GV's top 10 countries are all western countries. This could be because our uploader and indexing does not fully support CJK characters yet*

	Number of internet users (millions)	Internet users who use video 1x/month (%)
UK	35	13%
ES	15	27%
FR	25	15%
DE	46	7%
USA	200	46%

Sources: Nielsen/NNR (Dec 2005), EIAA Mediascope (Feb 2006), Online Publishers Association (April 2006), Morgan Stanley (April 2006)

GV Distribution by Country

GV Language Distribution

71.8
6.9
4.7
2.2
2.0
1.8
1.51.1.0.90.4

Legend: English, [Null], Spanish, French, Dutch, Chinese, Portuguese, German, Italian, Polish, Japanese, Turkish, Hebrew

Another country had more playbacks than US

Rank	Title	usa
1	Loose change 2nd ed extra footage	69%
2	Lady punch	72%
3	Amazing juggling	73%
4	Incredible machines (copyright removal)	16%
5	Loose change 2nd edition	70%
6	Co sie stalo? (Jak to zamknieta MIX)	1%
7	Webcam Girls Go Wild	36%
8	SO WE PWNED THIS FUNERAL TODAY: SE	54%
9	Satte Asker	4%
10	russian climbing	28%
11	Zajecie wymadaiace krzegy	5%
12	Worst Music Video EVER (finnish)	21%
13	Loose Change 9-11 Alex Jones Conspiracy	64%
14	idian Exotic dance in Office 2	43%
15	Probably Greatest Pub Team in World	14%

• Videos in the index are still English-centric, despite the fact that 50% of playbacks come from non-English speaking countries

– *However, analysis shows that the most popular videos requested from non-English speaking countries still get enough playbacks to rise to "global" popularity status*

– *This shows a strong demand exists for local content that we need to encourage*

• Our top videos drive a disproportionate amount of traffic from *outside* the US

– *30% of the top 200 videos in the GV index receive at least 70% of playbacks from just a single country*

– *56% of the top 200 videos receive the most playbacks from a non-US country*

Important points to make somewhere in the deck:

- YouTube's business model is completely sustained by pirated content. They are at the mercy of companies not responding with DMCA requests. When they do (like CSPAN did with S. Colbert), they suffer

- The DMCA law could be overturned if the media industry engages in sustained lobbying efforts (it was written before the viral video craze took off), and it is risky to build an entire business model on this law. *It is also not scalable to expand internationally since DMCA is a US law*

- The YouTube business model is also not monetizable. They are an AdSense publisher, so we have a good sense of their rate of monetization:PV

- YouTube is going after one slice of the internet video market – funny, user-made videos. There is a lot more slices in the pie and GV should try to be the broadest possible index

- We need to continue CBG support for video internationally b/c we don't have good ad monetization solutions yet, and some content producers will only distribute their content if they can sell it

- There is a big market for high quality premium content, but it is largely going to be shorter form, as opposed to 2 hour movies. Perhaps this means we should be working with media companies to get 2-4 minute funny clips from their shows. This will drive traffic, raise awareness of their TV shows (e.g., Lazy Sunday boosted SNL's ratings), and be very monetizable

Content Acquisition Priorities

CURRENT PRIORITIES

- **Maintain relationships w/ premium content owners and reset expectations**
  - Continue to push for DTO deals with current features, knowing that uptake will be limited
  - For partners resisting DTO in current form:
    - Seek more free promotional content
    - Set up advertising and other monetization trials
  - Reset expectations regarding DRM improvements this year
  - Focus on one box integration, improved browse/search/promotion capabilities to come, and RSS to come
  - Drive traffic through "event" programming
  - Set up advertising and monetization trials for current DTO partners
  - Differentiate based on our "respect for copyright"
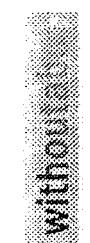
Content Acquisition Priorities (Cont'd)

CURRENT PRIORITIES

- Accelerate growth of "torso" content

  - Health/Fitness (e.g., CareTALK)
  - Educational (e.g., UCTV (Regents of University of California))
  - Faith and Spirituality (e.g. Life Balance Media (LIME))
  - Lifestyle/Arts (e.g., BlueHighwaysTV)
  - Travel (e.g., Wilderness Films International)
  - Children and Family (e.g., Sesame Street)
  - Sports (e.g., Collegiate Images)
  - Special Interest (e.g., WheelsTV)
  - Other Niche Content (e.g., Bollywood films)

- Additional

  - Secure more non-US and non-English language content deals with new partners
  - Continue digitization efforts
  - Consider university lectures pilot

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What Features/Infrastructure Needed to Support Content Types?

	Must-Have Product Features
PREMIUM	• Home page promotion, branded pages • Browse by provider name • Ranking by video quality/premium partnership • Better search functionality • Fast upload with high service model • Tools for managing large amounts of content • Payment mechanism for DTO • Disconnected DRM and limited devices/downloads • Premium advertising option, control over advertising partners • Statistics on page view/playback/download/payment behavior and demographics by title
TORSO	• Search traffic from google.com • Search on provided and processed metadata including provider name • Multi-level granular brows • Featured areas to support standard partner content • Easy upload and takedown • Unified dashboard for tracking partners through the pipeline • Low-hassle digitization assistance • Payment mechanism for DTO • Advertising option to monetize e.g. text ads
USER-GENERATED	• Easy upload from web page • User tagging, rating, voting, send-to-friend, myspace integration • Popularity metrics

Source: Standard team feedback, BizOps analysis

How we plan to boost torso content

INCREASED CONTENT ACQUISITION TEAM ACTIVITY

- **Increased staffing** in standard team (+2 FTEs)
  - Faster response to user enquiries
  - Accelerated sign-up and upload of content
  - Capacity for proactive outreach

- **Identify new target torso content owners**
  - Existing online video: Glengarry tool
    - In-house tool for PSO identifies web sites with online video files; sorts by quantity of video, by vertical
    - Largely unutilized so far while partner team has been in reactive mode; untapped resources with fast upload path
  - Video not yet online: Business Census (in US); regional targeting (outside US)
    - Prioritization of key verticals & functions with propensity to make video, sufficient revenues per firm
    - In-country groups charged with identifying top XX target content providers and reaching out

IMPROVED PARTNER VIDEO EXPERIENCE

- **Better marketing** of new torso content
  - Google Video Blog, Google Picks, Google Partner Pages
- **Improved product functionality:** working browse and search (coming in Q2)
  - Increase partner satisfaction about visibility of content
  - Increase traffic to partner videos
  - Positive marketing message and references
- **Future product functionality** (later in 2006)
  - Localized versions of video.google.com homepage and uploader tools
  - Translated metadata, descriptions for finding videos...
  - Option for monetization through text ads

Sources of new standard partners

- Video Inquiry Database
- Contacting Experimental Uploaders
- User Support Emails
- Glengarry, Automatic lead generation
- Premium Partner Kick Downs
- AdWords/AdSense Relationships
- Asset Management
- Google Grants/Google.org
- Conferences & Webinals

Source: Standard team feedback

Video monetization possibilities

1. Sponsored Video – requires high-touch premium content to premium advertiser matching – needs top content and TV-style CPMs to work

Sliding scale of ad frequencies as video gets longer

# of people interested in seeing video*	$ amount advert'r will pay CPM	Per stream	movie length (mins)	minutes per ad	# ads per stream	advertising cut to content owner	$ value to content owner	$ each advertiser pays
911 Loose change	4,560,448	$ 10.00	$ 0.01	82	15	5	75%	$ 171,017	$ 45,604
Amazing juggling	2,521,234	$ 10.00	$ 0.01	2.5	2	1	75%	$ 18,909	$ 25,212
Airbus build plane	412,772	$ 10.00	$ 0.01	7	3	2	75%	$ 3,102	$ 4,128
Octopus eats shark	201,412	$ 10.00	$ 0.01	2.5	2	1	75%	$ 1,511	$ 2,014
Jessica Simpson - These boots are made for walkin'	10,000,000	$ 10.00	$ 0.01	4.1	2	2	75%	$ 150,000	$ 100,000

2. Tip Jar – "busker" or "shareware" model may deliver strong incentives to user uploaders but nothing to corporate partners (Google would pass through all fees)

Tip jar

# of people interested in seeing video*	Fraction who will tip	Average tip	$ value to content owner	Rationale for tipping guesses
911 Loose change	4,560,448	5%	$ 2.00	$ 456,045	Big tip for charity or interest group; long highly-edited video, engaged viewers
Amazing juggling	2,521,234	2%	$ 0.50	$ 25,212	Viewers impressed - see single beneficiary with talent
Airbus build plane	412,772	0.10%	$ 0.02	$ 8	Low tip rate - corporate promo video
Octopus eats shark	201,412	2%	$ 0.25	$ 1,007	Viewers impressed - see single beneficiary with good content
Jessica Simpson - These boots are made for walkin'	10,000,000	0.10%	$ 0.25	$ 2,500	Low tip rate if its thought tip goes to Sony

3. Text ads – familiar Google technology accessible to smaller advertisers can monetize standard partner and user content (Google could keep a fraction of ad revenues)

Text ads with slide-in images

# of people interested in seeing video*	CTR	CPC	movie length (mins)	minutes per ad group	# ads on screen at a time	# ads per stream	$ value to content owner	$ value to content owner	$ each advertiser pays	clicks each advertiser sees
911 Loose change	4,560,448	0.50%	$ 0.25	82	15	4	20	75%	$ 85,508	$ 5,701	22,802
Amazing juggling	2,521,234	0.50%	$ 0.25	2.5	2	4	4	75%	$ 9,455	$ 3,152	12,606
Airbus build plane	412,772	0.50%	$ 0.25	7	3	4	8	75%	$ 3,096	$ 516	2,064
Octopus eats shark	201,412	0.50%	$ 0.25	2.5	2	4	4	75%	$ 755	$ 252	1,007
Jessica Simpson - These boots are made for walkin'	10,000,000	0.50%	$ 0.25	4.1	2	4	8	75%	$ 75,000	$ 12,500	50,000

* based on April 2006 actual playbacks (except Ms Simpson)

Source: Playbacks and movie length real data (apart from Ms Simpson); all else "what-if" analysis by BizOps

Decisions on copyright policy and product features will significantly impact the activities of the content team in 2006

Priorities of content team

With Disconnected DRM & limited devices accelerated to Q2/eQ3

- Keep premium and standard teams separate
  Build premium relationships through multi-property deals
  Engage premium partners in supporting crawl and metadata extraction efforts
  Seek multi-language support from existing premium partners
  Engage premium partners on enabling viral clips

Status Quo; no DRM changes, no copyright policy changes

- Communicate to premium partners no material DRM improvements this year
  Engage premium partners in sponsored content streaming ad test/deployment only -- otherwise move premium team to standard content acquisition effort
  Focus on securing non-US and non-English language content deals with new partners
  Await improvements in search and browse to produce real data on user preferences to guide further partner content acquisition

No DRM changes, loosened copyright policy on short clips

- Increase staffing and/or resources to content acquisition, ops and legal teams to handle complaints and potential litigation
  Limit damage through public policy, investor relations, press and premium partner meetings
  Support partners' use of review tools
  Reach out to non-partner content owners -- actively promote review tool

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Potential results of changing copyright enforcement policies

- **Likely acceptance among users** (especially highly media-aware young demographic)
  - Higher traffic, higher profile as destination site
  - Increased uploads of user content as well as copyrighted content
  - Potential to monetize higher volume of traffic
  - Achieve OKRs on traffic and uploads

- **Inability to independently gauge what kind of impact on traffic other options can have**
  - Improvements in features and user experience
  - Modifying copyright protection through applying public pressure through increased collaboration with content owners and indirect pressure through press and public policy

- **Some content owners sue Google**
  - Diversion of management attention
  - Negative PR
  - Potential monetary damages

- **Loss of trust from content providers**
  - Reduced future access to content
  - Reduced willingness to partner with other Google properties
  - Reduced AdSense partnerships and revenues (not just in Video)

- **Inconsistent with assertions in book search and library partner program for respecting copyrights**
  - Press, public and potentially courts will see loosening of video standards as sign of overall approach to copyrights

- **Loss of trust from advertisers**
  - Wish to avoid negative associations
  - Reduced ad revenues

Speaker Notes Slide: 2

"Everyone hates Chris" launch on GV – 9/23/05

iTunes launch with ABC – October, 2005

YouTube launch – February, 2005 (Not shown on timeline)

GV launch at CES – January 8, 2006

CBS puts programs on 3 platforms (comcast, satellite, gv) plus their own .com

iTunes announces 15 millionth video download (from email I sent from PaidContent estimating 700k iTunes sales/week) – Feb, 24, 2006

SNL "Lazy Sunday" puts YouTube on the map – episode aired December 17th, 2005. It attracted about 5 million online views before NBC asked that it be removed

AOL launches In2TV – 3/15/06

Yahoo says it's scaling back on original programming – March 2, 2006

MTV announces re-org, big plans new media distribution, (let's also see if we can find out when they acquired iFilm and when their show on VH1 taking clips from iFilm first aired) (background bullet on ~4 similar "clips shows" on air and 9 in development) – the iFilm acquisition was Oct. 14, 2006 for $49 Million. The "Best of Web Video" TV show with VH1 first aired on Jan. 13, 2006.

CBS streams NCAA championships for free and reports it generated $4mm in revenues mid March through end of March, 2006

FOX closes landmark deal with affiliates

NBC and affiliates form joint venture for new media distribution - April 19, 2006

GV announces initiative to digitize NARA content – 2/24/06

ABC announces ad supported streaming trial of top shows – announced April 10, 2006i; trial is for May and June, 2006

MSN unveils new plans to create original programming – May 3, 2006

CBS Innertube – 5/4/06

Some bullet that speaks to tremendous growth rate/volume of user-generated content

Others? This is a lot already but skews toward the "head" content; we may need more "tail" bullets and more about "torso", e.g., GV announces initiative to digitize NARA content

Message we're trying to communicate: The market is very young but extremely fast-moving; premium content owners have really become more aggressive and open to experimentation; user-generated trend is huge

Speaker Notes Slide: 5

Offer GV distribution/promotional prowess to those who don't have scale

Speaker Notes Slide: 6

In addition to premium content, "torso" content presents opportunities for competitive differentiation

Leverage GV promotion, traffic, tools for professional content owners who don't have scale

Take advantage of more relaxed DRM requirements among this class of owners

Few competitors will have resources or expertise to identify and close large volumes of torso deals

Speaker Notes Slide:

7
Overview of Google and our portfolio

Speaker Notes Slide: 10
Overview of Google and our portfolio

Speaker Notes Slide: 21
Offer GV distribution/promotional prowess to those who don't have scale

Speaker Notes Slide: 22
Offer GV distribution/promotional prowess to those who don't have scale

Speaker Notes Slide: 23
Overview of Google and our portfolio

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